

## Data Sheet

<b>USAID Mission:</b>	Eurasia Regional
<b>Program Title:</b>	Sustainable Energy Systems
<b>Pillar:</b>	Economic Growth, Agriculture and Trade
<b>Strategic Objective:</b>	110-0150
<b>Status:</b>	Program Support Objective
<b>Planned FY 2005 Obligation:</b>	\$1,045,000 FSA
<b>Prior Year Unobligated:</b>	\$180,000 FSA
<b>Proposed FY 2006 Obligation:</b>	\$1,250,000 FSA
<b>Year of Initial Obligation:</b>	1991
<b>Estimated Year of Final Obligation:</b>	2007

**Summary:** The regional energy program increases regional cooperation in electricity, heat, energy efficiency, and natural gas, and promotes harmonization of regulatory and market development to facilitate trade and investment.

### Inputs, Outputs, Activities:

**FY 2005 Program:** Improve Economic Policy and Governance (\$545,000 FSA, \$121,000 FSA carryover). Energy regulatory capacities will be strengthened through the development of professional, independent energy regulatory organizations which are essential to attract investment and create efficient, effective, transparent, and financially viable energy systems in this region. Seven countries in Eurasia have established such bodies and are members of the Energy Regulators Regional Association (ERRA). A Cooperative Agreement with the U.S. National Association of Regulatory Utility Commissions (NARUC) supports the ERRA professional development activities and regulatory exchanges. The regulators work together on practical, common issues in tariff policy and implementation, licensing and standards, market design and operation, public involvement and anti-corruption. They collaborate to develop training that increases the capabilities of new and existing regulators and staff. Since ERRA includes thirteen Central European countries, it serves as a useful mechanism to keep the Eurasia regulators up-to-date on regulatory developments related to European Union (EU) accession. The FY 2005 program will focus on the establishment of institutional arrangements to expand training development and delivery and activities to move ERRA towards greater financial sustainability and cost-sharing. Expanded collaboration is planned with the Council of European Energy Regulators (CEER), which participates in selected ERRA activities at their own expense. This component will also finance technical expertise to support and complement mission programs and capabilities and to help manage regional activities. Implementer: NARUC (prime).

Expand and Improve Access to Economic and Social Infrastructure (\$500,000 FSA, \$59,000 FSA carryover). Policy and technical support will be provided for regional analyses on energy infrastructure development issues including the initial development of the capacity in the Eurasia region to carry out transmission system investment planning for increased electricity trade in the Black Sea Region. In addition this component will finance technical expertise to support and complement mission programs and manage regional projects. This component also will focus on East-West energy system integration issues in electricity and natural gas as part of an overall effort involving USAID Europe and Eurasia missions. This component will also finance technical expertise to support and complement mission programs and capabilities and to help manage regional activities. Implementer: The U.S. Energy Association (prime).

The energy efficiency program is focusing on assessments of urban heating and the introduction of energy efficiency to help low income households meet increasing energy costs. A comprehensive urban heating study will provide historical analysis highlighting some best practices and success stories, identifying current needs and examining the implications for USAID's economic, democratic, and social transition programs, including municipal fiscal impacts. Work on Residential/Low Income Household issues will focus on effective ways to use

energy efficiency improvements in housing and apply them to the needs of vulnerable households. The documented experience will be broadly disseminated to municipalities and municipal associations; heating enterprises; homeowner associations; energy regulators; social welfare officials; and others. Efforts will be made to suggest a specific approach that could be incorporated into international financial institutions' lending in one or two countries. Implementer: Alliance to Save Energy (prime).

**FY 2006 Program:** Improve Economic Policy and Governance (\$500,000 FSA). Assistance will support the Energy Regulatory Regional Association (ERRA) to improve energy regulatory policy and capacities among the Eurasia energy regulators. The emphasis in FY 2006 will be on implementing the institutional arrangements to expand training development and delivery and activities that seek to move ERRA towards greater financial sustainability and cost-sharing. Targeted policy and institutional workshops will be included to address the priority needs of Eurasian regulatory bodies. In order to provide access to broader electricity regulatory and market practices in the EU and its new member countries, expanded collaboration is planned with the Council of European Energy Regulators (CEER), which is participating in selected ERRA activities at their own expense. Implementer: NARUC (prime).

Expand and Improve Access to Economic and Social Infrastructure (\$750,000 FSA). Policy and technical support will focus on deepening the investment planning and analysis of regional electricity transmission options and trading arrangements designed to promote greater electricity trade among Eurasian countries and between Eurasia and Central and South East Europe. The technical support will provide critical expertise to support mission programs and manage regional contracts. Implementer: The U.S. Energy Association (prime).

With respect to energy efficiency, the program will apply the lessons of the urban heating and energy affordability studies to Eurasia by preparing model policies and by working with communal service enterprises on effective methods to reduce residential heating requirements and provide targeted assistance to vulnerable households. Implementer: Alliance to Save Energy (prime).

**Performance and Results:** USAID regional energy programs have achieved significant results by focusing resources on strategic regional institutional development. For example, a success story has been the rapid and continued development of ERRA to include 22 member national energy regulatory bodies from Europe and Eurasia. It has quickly achieved regional and international recognition and has improved the knowledge, capability, and credibility of the new energy regulatory agencies in the countries and in the region.

The region-wide Municipal Network for Energy Efficiency (MUNEE), a network of committed NGOs, municipalities, and municipal associations has been established through which lessons in municipal efficiency and heat projects have been disseminated and municipal capabilities increased. MUNEE addresses the critical issues of heat supply and energy efficiency in municipalities and its network seeks to develop effective approaches for increasing commercial financing and investment for municipal energy efficiency projects. The network is designed to share successful examples with countries in Southeast Europe and the former Soviet Union about how municipalities can cut heat and energy costs and instead devote increased resources to providing essential public services.

## US Financing in Thousands of Dollars

Eurasia Regional

110-0150 Sustainable Energy Systems	ESF	FSA
<b>Through September 30, 2003</b>		
Obligations	1,769	22,808
Expenditures	1,769	21,264
Unliquidated	0	1,544
<b>Fiscal Year 2004</b>		
Obligations	0	1,005
Expenditures	0	967
<b>Through September 30, 2004</b>		
Obligations	1,769	23,813
Expenditures	1,769	22,231
Unliquidated	0	1,582
<b>Prior Year Unobligated Funds</b>		
Obligations	0	180
<b>Planned Fiscal Year 2005 NOA</b>		
Obligations	0	1,045
<b>Total Planned Fiscal Year 2005</b>		
Obligations	0	1,225
<b>Proposed Fiscal Year 2006 NOA</b>		
Obligations	0	1,250
Future Obligations	0	0
Est. Total Cost	1,769	26,288